EXHIBIT O

ORIGINAL

SOFTWARE LICENSE AGREEMENT

This Software License Agreement (the "Agreement") is entered into and effective as of April 15, 1997 (the "Effective Date") by and between Microsoft Corporation, a Washington corporation located at One Microsoft Way, Redmond, WA 98052 ("Microsoft"), Fraunhofer Gesellschaft zur Foerderung der Angewandten Forschung e.V., a German association located at Leonrodstraße 54, D-80636 München, Germany ("FhG") and THOMSON multimedia S. A., a French corporation, and Thomson Consumer Electronics Sales GmbH, a German corporation located at Göttinger Chaussee 76, D-30453 Hannover, Germany ("Thomson") (collectively the "Parties" or individually a "Party").

Recitals

Microsoft is a developer, publisher and distributor of various software programs, including, but not limited to certain operating system and Internet related software marketed by Microsoft under the names "Windows," "Windows 95", "Windows NT", "Internet Explorer", "ActiveMovie", "NetShow", and "NetMeeting";

FhG is a developer, publisher, and distributor of the MPEG Layer 3 audio encoder and decoder software technology;

Thomson as well as FhG are owners of intellectual property rights in the FhG encoder and decoder software technology and Thomson has the authority to grant licenses under the FhG intellectual property rights for this FhG software technology to Microsoft; and

Thomson, FhG, and Microsoft previously entered into an agreement whereby Thomson and FhG granted license rights to Microsoft to the encoder and decoder software technology; and

The Parties desire to supersede the previous agreement with this Agreement.

Now, Therefore, in consideration of the following covenants and conditions, the Parties agree as follows:

Agreement

1. **DEFINITIONS**

1.1 "Software" means the MPEG Layer 3 software and associated documentation, as more fully described in the Exhibit A along with any Updates provided to Microsoft under this Agreement.

1.2 "Updates" means all subsequent public commercial releases of the Software during the term of the Agreement, including maintenance releases, error corrections, upgrades, enhancements, additions, improvements, extensions, modifications, and replacement versions of Software.

1.3 "Object Code" means machine-executable code in binary format, typically the result of processing the Source Code with an assembler or compiler.

1.4 "Source Code" means software in human-readable, high-level language form, which when compiled or assembled, becomes the executable Object Code of a software program. All references to "Source Code" in this Agreement shall include both human readable (listing) and machine readable (source files) forms and all tools and documentation needed to build such software, as well as program documentation as it becomes available, including flow charts, programmer comments and design specifications for such software.

EXH 24   DATE 2-15-06
WITNESS ___ Berns ___
MARY W. MILLER

OUTSIDE COUNSEL ONLY

MSLT_0629521

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1.5 "Error(s)" shall mean defect(s) in a Deliverable which prevent it from performing in accordance with the Specifications and/or a Severity Level 1, 2 or 3 error, as such errors are defined in Exhibit B.

1.6 "Deliverables" shall mean the physical items of the Software delivered to Microsoft, as more fully set forth in Exhibit A.

1.7 "Microsoft Modifications" means all modifications to the Software made by or for Microsoft.

1.8 "Confidential Information" shall mean: (i) any trade secrets relating to either party's product plans, designs, Software Source Code, costs, prices and names, finances, marketing plans, business opportunities, personnel, research development or know-how; (ii) any information designated by the disclosing party as confidential in writing or, if disclosed orally, reduced to writing and designated as confidential within thirty (30) days; and (iii) the terms, conditions and existence of this Agreement. "Confidential Information" shall not include information that: (i) is or becomes generally known or available by publication, commercial use or otherwise through no fault of the receiving party; (ii) is known and has been reduced to tangible form by the receiving party at the time of disclosure and is not subject to restriction; (iii) is independently developed or learned by the receiving party; (iv) is lawfully obtained from a third party that has the right to make such disclosure; or (v) is made generally available by the disclosing party without restriction on disclosure.

1.9 "Thomson" shall collectively refer to the above-mentioned parties Thomson Consumer Electronics Sales GmbH and THOMSON multimedia.

2. DELIVERY & ACCEPTANCE

2.1 Delivery. FhG shall deliver the Deliverables in accordance with the schedule set forth in Exhibit C.

2.2 Acceptance. Microsoft's acceptance of the Deliverables shall be as follows:

(a) For software code Deliverables, Microsoft shall evaluate each Deliverable and shall submit a written (or email) acceptance or rejection to FhG within thirty (30) business days after Microsoft's receipt Deliverables. Acceptance/rejection shall be in writing or via email, and Microsoft shall not unreasonably withhold its acceptance. If Microsoft identifies Errors in each Deliverable prior to acceptance, then FhG shall correct such Errors within the time specified in Exhibit B.

(b) For documentation or report Deliverables, if any, Microsoft shall evaluate each version of such Deliverable. In the event that it requires corrections, Microsoft shall specify the corrections needed and FhG shall deliver an amended version of such documentation within 5 working days.

(c) If FhG fails to deliver any Deliverable within the dates specified in Exhibit A or if any Errors discovered before acceptance cannot be eliminated in the correction period specified in this Section 2.2, then Microsoft may, at its option: (i) extend the correction period; or (ii) suspend its performance and/or terminate this Agreement without any further obligation to FhG under Section 3 or any other provision of this Agreement.

2.3 Beta Win32. As of the Effective Date, Microsoft acknowledges delivery of the beta version of the Win32/ACM/x86 Deliverable.

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3. PAYMENT

3.1 **Payment.** As the sole and exclusive consideration for (i) all of the rights granted to Microsoft under this Agreement and (ii) FhG's and Thomson's obligations under this Agreement, Microsoft shall pay to Thomson and FhG a one-time, fully paid up license fee of Five Hundred Thousand Dollars (US$500,000) and a development fee of Four Hundred Fifty Thousand Dollars (US$450,000). Such fees will be payable according to the schedule in Exhibit C as follows: Two Hundred Fifty Thousand Dollars (US$250,000) to Thomson and Two Hundred Fifty Thousand Dollars (US$250,000) to FhG within thirty (30) days following execution of this Agreement for the license rights and obligations described herein, and Two Hundred Thousand Dollars (US$200,000) within thirty (30) days following execution of this Agreement for the Beta Win32/ACM/x86 Deliverable and the remaining amounts identified on Exhibit C on the corresponding dates to FhG provided that Microsoft determines the Deliverables meet the specifications set forth in Exhibit A.

3.2 **Payment Terms.** Thomson and FhG shall invoice Microsoft all amounts due under this Agreement. Microsoft's payment terms are net thirty (30) days after receipt of such invoice. Microsoft shall make such payments to the respective parties' bank accounts listed in Section 12.1, or to such other address as FhG or Thomson designate.

3.3 **License Rights.** The license granted to Microsoft in Section 4 is perpetual and irrevocable provided that Microsoft has paid the initial payment of Five Hundred Thousand Dollars (US$500,000) described in Section 3.1.

4. RIGHTS

4.1 **Non-Exclusive Source Code and Object Code License.** FhG and Thomson hereby grant to Microsoft a nonexclusive, perpetual, irrevocable, royalty-free, fully paid up, worldwide right and license to:

   (a) Use, copy, edit, format, modify, translate and create derivative works of the Source Code and Object Code versions of the Software as part of or for use in conjunction with Microsoft products and services;

   (b) Make, sell, reproduce, license, rent, lease or otherwise distribute, and have made, sold, reproduced, licensed, rented, leased or otherwise distributed, to and by third parties, Source Code and/or Object Code versions of the Software, and any derivatives thereof as part of Microsoft products and services; and

   (c) Grant the rights set forth in this Section 4.1 in the Software to third parties, including the right to license such rights to further third parties.

4.2 **Patent License.** The license granted in Section 4.1 includes a license under any current and future patents under which Thomson or FhG have the right to license, to the extent necessary to exercise any license right granted herein; provided however in the case of a Thomson or FhG patent that Thomson or FhG is unable to license to Microsoft without being required to pay a license fee to a third party, Microsoft may obtain such a license, at Microsoft's option, provided that Microsoft pays any such license fee and complies with any applicable restrictions of the third party.

4.3 **Limited Distribution of Source Code to the Software.** Notwithstanding anything to the contrary in Section 4.1, Microsoft may only provide the Source Code to the Software in Source Code form to third parties subject to an agreement which contains terms which protect the Source Code of the Software to the same extent as Microsoft Source Code.

4.4 **License of the Software.** Any distribution by Microsoft of the Software in Object Code form shall be pursuant to Microsoft's standard license agreement.

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EXHIBIT 34 PAGE 904

4.5   License to Microsoft Modifications. Microsoft hereby grants to FhG and Thomson a perpetual, nonexclusive, worldwide, irrevocable, royalty-free license: (i) to make, use, reproduce, modify, translate, and create derivative works of the Microsoft Modifications in Source Code and Object Code forms; (ii) to reproduce, distribute and have reproduced and/or distributed, license (directly or indirectly), sell, rent or lease copies of, the Microsoft Modifications and any derivative works thereof in Source Code and Object Code forms; and (iii) to sublicense the rights in the foregoing parts (i) and (ii) to third parties, including the right to grant further sublicenses to third parties. The foregoing license grants include a license under any current and future patents owned or licensable by Microsoft to the extent necessary: (i) to exercise any license right granted herein; and (ii) to combine the Microsoft Modifications and any derivative works thereof with any hardware and software.

4.6   Ownership.

     (a)   *In Thomson and FhG.* Subject to the rights granted in this Agreement, FhG and/or Thomson shall at all times retain full and exclusive right, title and ownership in and to the Software, including any and all related intellectual property rights such as patent, trademark, copyright, and proprietary and trade secret rights in any of the Software.

     (b)   *In Microsoft.* Subject to the rights granted in this Agreement, and subject to Thomson and FhG's ownership of the Software described in Section 4.6(a), Microsoft shall at all times retain full and exclusive right, title, and ownership in and to all Microsoft Modifications of the Software, including any and all intellectual property rights such as patents, trademarks, copyrights, and proprietary and trade secret rights.

5.   OTHER TERMS

5.1   Press Releases. The parties will cooperate with each other on press releases and similar communications regarding the non-confidential subject matter of this Agreement, which is limited to the description of the Software and the license rights provided to Microsoft. The content, timing and necessity of all such communications will be agreed upon in writing by both parties.

5.2   Correction of Errors. During the term of this Agreement, and at no further charge to Microsoft, FhG will fix all Errors found in the Deliverables in accordance with the severity schedule set forth in Exhibit B.

5.3   Updates. During the term of this Agreement, and at no further charge to Microsoft, FhG will provide Updates to Microsoft as they become available.

5.4   Microsoft Beta Programs. Upon FhG's and Thomson's request, Microsoft shall use commercially reasonable efforts to include FhG and Thomson in its beta programs for Microsoft products. FhG and Thomson understand that their inclusion in each beta program is solely at the discretion of the beta program manager for each Microsoft product.

6.   NO OBLIGATION/INDEPENDENT DEVELOPMENT

Notwithstanding any other provision of this Agreement, Microsoft shall have no obligation to market, sell or otherwise distribute the Software, either alone or in any Microsoft product. Except as provided in Section 7, nothing in this Agreement will be construed as restricting Microsoft's ability to acquire, license, develop, manufacture or distribute for itself, or have others acquire, license, develop, manufacture or distribute for Microsoft, similar technology performing the same or similar functions as the technology contemplated by this Agreement, or to market and distribute such similar technology in addition to, or in lieu of, the technology contemplated by this Agreement. The foregoing shall in no way imply that either

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Thomson or FhG grants any rights to Microsoft to any Thomson or FhG intellectual property which may be presented in such similar technology.

7. CONFIDENTIALITY

7.1 Microsoft and Thomson shall be subject to the confidentiality and nondisclosure obligations of the Non-Disclosure Agreement between them dated December 10, 1994.

7.2 Microsoft and FhG shall be subject to the confidentiality and nondisclosure obligations of the Non-Disclosure Agreement between them dated October 24, 1996.

8. WARRANTIES

8.1 Thomson and FhG. Thomson and FhG warrant and represent that:

(a) Thomson and FhG have the full right and authority to grant the licenses to Microsoft as set forth in Section 4.1 and in all other respects to enter into and perform according to the terms of this Agreement;

(b) The Software as provided by FhG does not infringe any copyright or trade secret held by any third party;

(c) To the best of Thomson's and FhG's knowledge, the Software does not infringe any patent, trademark, or other proprietary right held by any third party. Although Thomson and/or FhG represent and warrant that neither Thomson nor FhG have received any notifications from any third parties that the Software infringes any third party patents or trademarks, neither Thomson nor FhG can guarantee that the Software does not and will not infringe any and all third parties' patents and trademarks worldwide;

(d) Their performance of this Agreement will not violate any agreement or obligation between Thomson and/or FhG, on the one hand, and a third party, on the other;

(e) FhG owns the Software, and subject to Section 8(c), Thomson and/or FhG own the intellectual property rights licensed under this Agreement. Thomson has the authority to grant the licenses under the intellectual property rights licensed under this Agreement;

(f) FhG and Thomson have no knowledge of any third party which may be owed a fee by Microsoft in order for Microsoft to exercise its rights under Section 4.2; and

(g) FhG is prohibited by German law to provide indemnification for the Software.

8.2 Microsoft. Microsoft warrants and represents that it has the full authority to grant the licenses to Thomson and FhG as set forth in Section 4.5 and to enter into and perform according to the terms of this Agreement.

8.3 No Other Warranties. THE SECTION 8 WARRANTIES ARE THE ONLY WARRANTIES MADE BY ANY PARTY TO ANY OTHER PARTY UNDER THIS AGREEMENT AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, OR STATUATORY, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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9.   INDEMNITY

9.1   Indemnity.

(a)   Thomson shall, at its expense and Microsoft's request, defend any claim or action brought against Microsoft, and Microsoft's subsidiaries, affiliates, directors, officers, employees, agents and independent contractors, and pay the amount of any adverse final judgment resulting from a claim which if true would constitute a breach of the warranties in Section 8.1, and Thomson will indemnify and hold Microsoft harmless from and against any costs, damages and fees reasonably incurred by Microsoft, including but not limited to fees of attorneys and other professionals, that are attributable to such claim. Microsoft shall: (i) provide Thomson reasonably prompt notice in writing of any such claim or action and permit Thomson, through counsel mutually acceptable to Microsoft and Thomson, to answer and defend such claim or action; and (ii) provide Thomson information, assistance and authority, at Thomson's expense, to help Thomson to defend such claim or action. Thomson will not be responsible for any settlement made by Microsoft without Thomson's written permission, which permission will not be unreasonably withheld.

(b)   Microsoft shall have the right to employ, at its own expense, separate counsel and participate in the defense of any claim or action. Thomson shall reimburse Microsoft upon demand for any payments made or loss suffered by it at any time after the date hereof, based upon the judgment of any court of competent jurisdiction or pursuant to a bona fide compromise or settlement of claims, demands, or actions, in respect to any damages related to any claim or action under this Section 9.

(c)   Thomson may not settle any claim or action under this Section 9 on Microsoft's behalf without first obtaining Microsoft's written permission, which permission will not be unreasonably withheld. In the event Microsoft and Thomson agree to settle a claim or action, Thomson agrees not to publicize the settlement without first obtaining Microsoft's written permission, which permission will not be unreasonably withheld.

(d)   Thomson's maximum liability pursuant to this Section 9.1 shall in no event exceed the sum of Two Hundred Fifty Thousand Dollars ($250,000.00).

9.2   Cooperation on Infringement Claims. If any action, cause of action, claim, or demand is brought against Microsoft arising out of or in connection with a claim that the Software infringes any copyright, patent, trade secret, or other intellectual property right of any third party, Thomson and FhG agree to assist Microsoft in its defense, including assisting Microsoft with respect to technical issues relating to the Software and providing technical information to Microsoft necessary for infringement studies, and, in the case of a patent claim, providing prior art information available to Thomson and FhG. If the claim or action does not arise out of a breach of Thomson's or FhG's representations or warranties in Section 8, Microsoft shall pay for reasonable technical consulting services that it may seek from Thomson or FhG in connection with its defense.

9.3   Duty to Correct. Should any action be brought against Microsoft relating to its continued use of the Software, whether in its original or some modified form, Thomson and FhG will use their best efforts to procure for Microsoft the right to continue using, to the extent authorized in this Agreement, the Software, or if such rights cannot be obtained, will use their best efforts to replace or modify the Software so as to enable Microsoft to continue to use the Software.

10.   TERMINATION

10.1 Term. The term of this Agreement shall commence as of the Effective Date and shall continue until December 31, 1998 unless earlier terminated as provided in this Section 10.

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10.2 Termination By Either Party For Cause. Either party may suspend performance and/or terminate this Agreement immediately upon written notice at any time if:

(a) The other party is in material breach of any material warranty, term, condition or covenant of this Agreement, other than those contained in Section 7, and fails to cure that breach within thirty (30) days after written notice thereof; or

(b) The other party is in material breach of Section 7.

Notwithstanding the foregoing, in no event shall FhG or Thomson be able to terminate Microsoft's license rights under Section 4 provided that Microsoft has paid Thomson and FhG pursuant to Section 3.3.

10.3 Effect of Termination. In the event of termination or expiration of this Agreement for any reason, Sections 4, 6, 7, 8, 9, 11, and 12 shall survive termination. Neither party shall be liable to the other for damages of any sort resulting solely from terminating this Agreement in accordance with its terms. Any licenses or sublicenses already granted by Microsoft under this Agreement shall not be affected by any termination of this Agreement and shall remain in full force and effect.

11. LIMITATION OF LIABILITIES

11.1 As Between Microsoft and Thomson.

(a) EXCEPT AS PROVIDED IN SECTIONS 8 AND 9, NEITHER MICROSOFT NOR THOMSON SHALL BE LIABLE TO THE OTHER, OR TO ANY PERSON CLAIMING RIGHTS DERIVED FROM THE OTHER, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES (INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE) ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) IN NO EVENT SHALL THOMSON'S AND MICROSOFT'S LIABILITY TO EACH OTHER UNDER THIS AGREEMENT EXCEED TWO HUNDRED FIFTY THOUSAND DOLLARS (US$250,000).

11.2 As Between Microsoft and FhG.

(a) EXCEPT FOR DAMAGES RESULTING FROM INTENTIONAL BREACH OF ANY PROVISION OF THE AGREEMENT OR FROM GROSS NEGLIGENCE, NEITHER MICROSOFT NOR FHG WILL BE LIABLE TO THE OTHER, OR TO ANY PERSON CLAIMING RIGHTS DERIVED FROM THE OTHER, FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES (INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE) ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) IN NO EVENT SHALL FHG'S AND MICROSOFT'S LIABILITY TO EACH OTHER UNDER THIS AGREEMENT EXCEED SEVEN HUNDRED THOUSAND DOLLARS (US$700,000).

12.   GENERAL

12.1 Notices. All notices and requests in connection with this Agreement shall be deemed given as of the day they are received either by messenger, delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed as follows:

To Thomson:

Thomson Consumer Electronics Sales GmbH
Göttinger Chaussee 76
D30453 Hannover, Germany
Attention: Intellectual Property – Legal
Phone: +49 511 418 2859
Fax: +49 511 418 2714

Bank Account Information: Commerzbank
   (SWIFT Code COBADEFF 250; Bank Code
   Germany 250 400 66) Acct No.: 3000 700 01

Thomson multimedia S.A.
46 Quai Alphonse Le Gallo
92648 Boulogne Cedex FRANCE
Attention: Vice President
            Licensing and Intellectual Property
Telefax: +33 1 4186 5638

To Microsoft:

Microsoft Corporation
One Microsoft Way
Redmond, WA 98052-6399
Attention: Ramiro Calvo
Phone: +1-206-703-9498
Fax: +1-206-703-7329

Copy to: Law & Corporate Affairs, US Legal
Fax: +1-206-936-7409

To FhG:

Fraunhofer Institut Integrierte
   Schaltungen,
   Am Weichselgarten 3
D-91058 Erlangen, Germany
Attention: Dr. Karlheinz Brandenburg
Phone: +49-913-177-6303
Fax: +49-913-177-6399
cc to: +49-89-1205-467 (Patent Office)
Bank Account Information: Deutsche Bank (Bank
   Code Germany 700 700 10), Acct No.: 75 219 33
   Include reference: "44 IIS-A, Contract No._____,
   Project No. 133841"

or to such other address as a party may designate pursuant to this notice provision.

12.2 No Franchise. Neither this Agreement, nor any terms and conditions contained herein shall be construed as creating a partnership, joint venture, or agency relationship or as granting a franchise.

12.3 Taxes. In the event taxes are required to be withheld on payments made under this Agreement by any U.S. (state or federal) or foreign government, Microsoft may deduct such taxes from the amount owed Company and pay them to the appropriate taxing authority. Microsoft shall in turn promptly secure and deliver to Company an official receipt for any taxes withheld. Microsoft will use reasonable efforts to minimize such taxes to the extent permissible under applicable law.

12.4 Governing Law. This Agreement shall be governed by the laws of the State of New York, and Thomson, FhG, and Microsoft consent to exclusive jurisdiction and venue in the federal courts sitting

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in the Southern District of New York. In any action or suit to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees.

12.5 Assignment. This Agreement shall not be assigned without prior written approval of all Parties, which approval shall not be unreasonably withheld. Except as otherwise provided, this Agreement shall be binding upon and inure to the benefit of the Parties' successors and lawful assigns.

12.6 Waiver. No waiver of any term or condition of this Agreement, or any breach of this Agreement or any part thereof, shall be deemed a waiver of any other term or condition of the Agreement or of any later breach of the Agreement or of any party thereof.

12.7 Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid, or unenforceable the remaining provisions shall remain in full force and effect.

12.8 Entire Agreement. This Agreement does not constitute an offer by Microsoft and it shall not be effective until signed by both parties. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and merges and supersedes all prior and contemporaneous communications, including the MPEG 2 Layer 3 Audio Technology License Agreement dated December 9, 1996. It shall not be modified except by a written agreement dated subsequent to the date of this Agreement and signed on behalf of Thomson, FhG and Microsoft by their respective duly authorized representatives.

*Software License Agreement*
04/17/97 1:22 PM

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date written above.

MICROSOFT CORPORATION

_____
By (Sign)

_John Ludwig_____
Name (Print)

_Vice President_____
Title

_4/21/97_____
Date

THOMSON CONSUMER ELECTRONICS SALES GMBH

_____
By (Sign)

_Detlev M. Lang_____
Name (Print)

_General Manager/Prokurist_____
Title

_April 30, 1997_____
Date

THOMSON MULTIMEDIA S.A.

_____
By (Sign)

_Beatrix de Russe_____
Name (Print)

Vice President
Licensing and Intellectual Property
Title

_May 6, 1997_____
Date

FRAUNHOFER GESELLSCHAFT ZUR FOERDERUNG DER ANGEWANDTEN FORSCHUNG E.V.

_____
By (Sign)

_Herr Dr. M. Paulus_____
Name (Print)

Head of Patent & License Dept., FhG
Title

_2. 5. 97_____
Date

s:\copy\FhG_Thomson MPEG Layer 3 Final 041697.doc   **Microsoft** *Confidential & Proprietary*   *Page 10 of 15*

EXHIBIT A

DESCRIPTION OF SOFTWARE

A. Overview

Company will deliver localizable Implementations for use with a variety of computing platforms, regardless of processor type. Below is the table describing general requirements of each platform.

Platform	Processor Type	Wrapper	Encoder	Decoder	Remarks
Win16	80486 DX-33 or better *)	ACM	no	yes	FPU is needed
Win32	80486 DX-33 or better *)	ACM	yes	yes	FPU is needed
Win32	DEC Alpha	ACM	no	yes	
Win32	80486 DX-33 or better *)	ActiveMovie	yes	yes	
MacOS	non-68k	QuickTime	yes	yes	System7.1 and later
Solaris 2.x and later	SPARC family	NetShow Player	no	yes	
Irix 4.x and later	MIPS family	NetShow Player	no	yes	
IBM AIX	PowerPC	NetShow Player	no	yes	
Digital Unix 3.x and later	DEC Alpha	NetShow Player	no	yes	
Linux	80486 DX-33 or better *)	NetShow Player	no	yes	

*) a Pentium Processor is needed for realtime decoding of higher bitrates.

B. General Description of the codec

The MPEG Layer-3 codec consists of a MPEG Layer-3 encoder and a MPEG Layer-3 decoder.

The encoder has the following functionality:
- input: 16bit, mono or stereo PCM
- output: MPEG Layer-3 bitstream at 8 distinct bit rates described in the table below

The decoder has the following functionality:
- input: MPEG Layer-3 bitstream
- output: 8bit or 16bit, mono or stereo PCM

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The table below describes the possible settings (sample rate and mono/stereo) for specific fixed bit rates supported by the MPEG Layer-3 encoder. The MPEG Layer-3 decoder supports all valid MPEG Layer-3 bitstreams (sample rates 8kHz, 11.025 kHz, 12 kHz, 16 kHz, 22.05 kHz, 24 kHz, 32 kHz, 44.1 kHz, 48 kHz, bit rates 8kBit/s .. 320 kBit/s).

	8 kHz	11.025 kHz	12 kHz	16 kHz	22.05 kHz	24 kHz
8 kBit/s	Mono	Mono	Mono			
16 kBit/s	Mono	Mono	Mono	Mono		
18 kBit/s	Stereo	Mono/Stereo	Mono/Stereo	Mono		
20 kBit/s	Stereo	Mono/Stereo	Mono/Stereo	Mono		
24 kBit/s	Stereo	Stereo	Stereo	Mono	Mono	Mono
32 kBit/s	Stereo	Stereo	Stereo	Mono	Mono	Mono
48 kBit/s				Stereo	Stereo	Stereo
56 kBit/s				Stereo	Stereo	Stereo

C. Win16 and Win32 Implementation

The Win16 and Win32 software implementations are composed of the following three sets, where library is a form of object code.

- Set 1 (MPEG Layer-3):
    - MPEG Layer-3 decoder library (static library, 16bit and 32bit)
    - MPEG Layer-3 encoder library (static library, 32bit only)

- Set 2 (ACM wrapper):
    - MS ACM wrapper for MPEG Layer-3 codec (32bit only)
    - MS ACM wrapper for MPEG Layer-3 decoder (16 bit only)

- Set 3 (Source Code):
    - Source code implementing MPEG Layer-3 decoder
    - Source code implementing the MS ACM wrapper

D. Key Mechanism

FhG's Software will be protected by a key locking mechanism. The keying mechanism will be defined by Microsoft within sixty (60) days following execution of this Agreement.

THE FOREGOING EXHIBIT A IS AGREED TO AND ACCEPTED BY THE PARTIES:

MICROSOFT CORPORATION

FRAUNHOFER GESELLSCHAFT ZUR
FOERDERUNG DER ANGEWANDTEN
FORSCHUNG E.V.

By (Sign)

By (Sign)

Name (Print)

Herr Dr. M. Paulus
Name (Print)
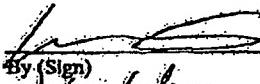
Title

Head of Patent & License Dept. FhG
Title
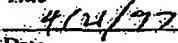
Date

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Date

Reviewed by
Microsoft Legal
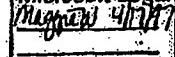
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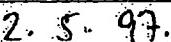
EXHIBIT B

MAINTENANCE PROBLEM SEVERITY AND RESOLUTIONS

Severity	Criteria	Time Limit
1	**Critical**: Problem which prevents or seriously impairs the performance of substantially all major functions.	24 hours
2	**Severe Impact**: Problem which prevents or seriously impairs the performance of a major function.	3 days
3	**Degraded Operation**: Problem which disables or impairs the performance of a minor function.	2 weeks

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EXHIBIT C

DELIVERABLES & PAYMENTS

Platform	Target Date	Payment US$
Execution of this agreement	04/15/97	500K
Beta Win32 (ACM)	04/15/97	200K
FhG Consulting Services from December 9, 1997 License Agreement	04/15/97	50K
Error Mitigation Investigation	04/15/97	18K
Final Win32 (ACM)	05/16/97	
MacOS	06/16/97	75K
Win16	07/15/97	25K
UNIX (Solaris, Irix, HP UX, AIX, Digital Unix, Linux)	08/15/97	25K
Win32 (DEC Alpha)	09/15/97	7K
Win32 (Active Movie Filter)	09/15/97	50K

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